

1. CALL TO ORDER

President Felicelli called the regular meeting of the San Miguel Power Association (SMPA) Board of Directors to order at 9:30 AM. The meeting was held via Zoom Video/Teleconference and all directors were present via teleconference.

2. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the revised consent agenda (March 24, 2020) to include the February 25, 2020 meeting minutes. Director Alexander seconded. The motion was voted and carried.

3. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Garvey reviewed a letter that she had received from the Town of Nucla, including a rough draft of a proposed franchise agreement with SMPA. They noted that it is similar to franchise agreements that SMPA has with other member towns.
- Director Garvey communicated that the Town of Naturita had been awarded a grant from the Department of Local Affairs (DOLA) for their park project. The Town of Naturita will be in contact with SMPA regarding the Sharing Success Grant monies that were pledged towards the project.
- Director Alexander commented that a member is requesting a power connection at the foot of Norwood Hill.

Corporation Donation Presentations

Hoof and Paw, Tonya Stephens

Tonya Stephens informed the Board that the Nucla Hoof and Paw organization is interested in purchasing a thrift store where the proceeds would become the primary funding mechanism for the program that helps lost, stray, and abandoned pets. She reported that in 2019 the organization helped over 90 animals. Mr. Stephens noted that the organization hopes to purchase the facility by March 31st, 2020, and that is why she requested an expedited review of the donation application. In addition to being a funding source for the Hoof and Paw organization, she stated that the thrift store is also a valuable resource to the community by providing a place for people to purchase items locally.

4. STRATEGIC UPDATE

All-encompassing program to expand local renewables- Wiley Freeman

Manager Freeman provided a status update on the Member Services Teams focus to develop an all-encompassing program to expand local renewables. Manager Freeman advised that the team developed multiple initiatives to achieve the strategic objective. He noted significant progress has been made in expanding local renewables, highlighting that all panels have been allocated in the I.Q. Solar, Green Blocks rebranding to the Totally Green program and an outside organization, has been contracted to administer the rebate programs which will optimize the rebate program by reducing admin time per rebate and increase participation.

Understand the full value, and options, of our membership and contract with Tri-State G&T- Brad Zaporski
Manager Zaporski reported that the Tri-State Contract Committee approved a resolution for a Partial requirements Contract (PRC). The PRC, also called Class B Membership, was presented alongside methodology for the PRC. The next step will be for the committee to present the resolution to the Tri-State Board of Directors for consideration. Manager Zaporski reported that simultaneous to the Contract Committee happenings, SMPA

has been working with power supply consultants to analyze SMPA data and begin to build the framework of an RFP regarding SMPA's power supply requirements.

5. CEO REPORT

CEO. Items

Legislative Review

Manager Mertz provided a legislative update. He reported that the Federal Energy Regulatory Commission (FERC) declared that Tri-State is rate regulated by FERC. Manager Mertz highlighted that FERC ruled that although rate-regulated, FERC would defer to local state jurisdictions regarding 'exiting' Tri-State, noting any "buy-out" methodology would need to be based upon sound financial principles associated within the industry. Manager Mertz reported that the New Mexico Public Regulation Commission (NMPRC) ordered that Tri-State is a "public utility" and hence subject to regulatory oversight by the PRC. He also noted the Colorado Public Utilities Commission (PUC) suspended a hearing scheduled for this week.

COVID-19 Discussion

Manager Zaporski informed the Board that SMPA's pandemic emergency response plan is a tiered plan based on pandemic status and SMPA's response to the current pandemic status, noting that we have been evolving and adapting the structure as needed. Manager Zaporski stated that SMPA has focused on communication during this time, both internally and externally. External communications include letters to the members on SMPA website and social media platforms regarding office closures, the temporary suspension of disconnects and late fees, and new methods for gathering signatures for election petitions.

Manager Zaporski communicated that internally, staff that is able to work from home are. He reported that operations teams are separated by location and further separated into teams by locations. All of these precautions have been taken to protect employees and ensure staff availability to perform tasks. Manager Zaporski stated that employment law is changing rapidly to address the swiftly evolving COVID-19 situation. He reported that SMPA is being flexible with staff and striving to assure employees that they are taken care of while managing expectations by communicating that the current work situation is unique applies only to the specific emergency we are currently experiencing.

Introduction of Employee Guests

Terry Schuyler, Key Accounts Executive. Alex Shelly, Communications Executive; Danielle Rodriguez, HR and Admin Coordinator and Jeremy Fox, Service Planner Supervisor, were in attendance.

Corporate Donations

Hoof and Paws

Director Garvey motioned to donate \$500 to the Hoof and Paws organization and apply for a Basin match. Director Rhoades seconded. The motion was voted passed.

Board Donations

Director Garvey donated \$500 to the Hoof and Paw organization.

Finance Update

Coop Director Finance Training

Manager Mertz reviewed the finance report, noting that February revenues were slightly more than budget and year to date revenues are within 99.7% of our targeted amount. He noted that the initial year-end audit is in progress.

Manager Mertz indicated that SMPA is anticipating reduced revenue and slower cash flow as members impacted by COVID-19 may have challenges paying bills. Manager Mertz informed the Board that SMPA's strategy to handle the situation to increase liquidity and the number of days of cash on hand through increasing our short-term line of credit.

Marketing & Member Services

Manager Freeman provided an update on SMPA's communication to members in response to COVID-19. He emphasized outreach efforts that highlight SMPA's goal to help members that will be financially impacted by the situation we are facing. Manager Freeman communicated that the member services team is developing payment plans that might work for members to help the bills from getting too big as we work through this situation.

Information Technology

Manager Tea advised that staff has adapted well to the new work from home status and that the transition has been smooth. He highlighted the security measures the organization is using to address cybersecurity, including two-step authentication when logging into systems remotely.

Administration & Human Resources

Danielle Rodriguez, HR & Admin. Coordinator reviewed her report, highlighting the plethora of updates that are happening regarding employment and labor law updates regarding the COVID-19 situation.

The Board reviewed Policy 204, Sale of Used Surplus Equipment or Material. Following discussion, Director Garvey moved that the policy be adopted as presented. Director Alexander seconded. The motion was voted and carried.

The Board reviewed Policy 205, Local Purchase Policy. Director Alexander moved that the policy be adopted as presented. Director Cokes seconded. The motion was voted and passed.

Engineering

Aaron Potts of ESC Engineering Firm presented a risk and cost analysis of the construction's options for the Ruby Walls section of the Red Mountain Line Rebuild Project. Mr. Potts reviewed several different options for the project. He discussed the construction routes and evaluated the risks related to rockfall, the ability to access lines, environmental impacts, construction difficulty, and the visual impact of each construction option.

Following analysis, options were narrowed down to an option for an overhead line or an underground line. Further assessment highlighted that going underground promotes crew safety and long-term financial savings as it will not be exposed to rockfall. Following discussion, the Board determined the best option regarding the Ruby Walls section is to go underground.

Manager Riley informed the Board that the IRU Fiber Agreement with Region 10 had been successfully executed.

Jeremy Fox, Service Planner Supervisor, stated that SMPA had received the Draft Recovery Agreement from United States Forest Service (USFS). The Draft Recovery Agreement includes an assessment of anticipated USFS costs associated with application review and permitting for the Red Mountain Line Rebuild Project. He explained that at the end of the project, there is a true-up of fees. Mr. Fox noted that currently, the agreement reflects an anticipated cost of \$41,000.

Operations

Manager Oliver reviewed his report. He noted that with the building restrictions in place due to COVID-19 work orders are slow right now, he anticipates being extremely busy when things open back up. He advised that the crew is in good spirits, and they are practicing safe social distancing when they do go out in the field. Manager Oliver reported that there had not been any disruption in supply flow.

Safety and Regulatory Compliance

Paul Enstrom, Safety and Regulatory Compliance Coordinator, reviewed his report, noting that 15 new AED's have been added to vehicles and are out in the field. He reported that he is working on identifying ways to keep safety communications and focus going in this new remote working environment.

6. ATTORNEY'S REPORT

Jim Link, Legal Counsel, advised the Board the election and the annual meeting are two separate things, and an election can be held without an annual meeting. He noted that while the status of the annual meeting is to be determined, we are moving forward with the election and all existing deadlines. Mr. Link informed the Board that alternate methods had been identified to collect signatures for election nomination packets, including getting traditional signatures or members can email or call Mr. Link for verification. It was noted that this modification to the standard business process of collecting signatures was developed to make it as easy as possible for someone interested in running to do so, even in these unprecedented times.

Mr. Link proposed the Board adopt a provision to the bylaws regarding emergency meetings. Mr. Link advised that adopting a shorter noticing period would allow the Board to respond quickly to situations that might arise in emergency conditions.

The Board reviewed Emergency Bylaws Provisions recommended by Mr. Link. Following discussion, Director Alexander moved that the Emergency Bylaws Provision be adopted as presented. Director Garvey seconded. The motion was voted and carried. The motion was passed and will be re-ratified at the April meeting since the motion did not meet the 10-day advanced posting requirement.

Director Alexander made a motion at 2:02 PM to enter into executive session for personnel and contractual issues. Director Rhoades seconded. The motion was voted on and carried. The Board entered into executive session at 2:02 PM and came out at 2:36 PM. While in executive session, no decisions were made, nor votes taken.

7. ASSOCIATED MEETING REPORTS

CREA- Debbie Cokes

Director Cokes communicated that she is on the CREA Safety Committee. She noted that the committee reviewed accidents and near misses and determined that there were too many. They discussed ways to message safety differently, more focused on safety, not the number of jobs completed or shorter outage times.

Western United- Dave Alexander
N/A

Eco-Action- Jack Sibold
N/A

Tri-State- Jack Sibold
Director Sibold reported that he was unable to attend Tri-State's March Board of Directors Meeting. He noted that he was able to attend February 28, 2020, Town Hall Meeting in Gunnison. He highlighted Tri-State's talking points, including their goal to be 50% renewable by 2024 with a focus on reliable, affordable and responsible energy. Additionally, Director Sibold noted Tri-State's message regarding the importance of Regional Transmission Organizations (RTO) and how important they are to renewable success.

8. BOARD TRAVEL

N/A

9. MISCELLANEOUS

10. BOARD CALENDAR REVIEW

11. NEXT MEETING

The next Board of Directors meeting will be Tuesday, April 28, 2020, in Nucla.
The May meeting will take place on Tuesday, May 19, 2020, in Ridgway.

12. ADJOURN

Director Garvey motioned to adjourn the meeting at 2:51 PM. Director Cokes seconded. The motion was voted and carried.


Doyleene Garvey (Apr 29, 2020)

Doyleene Garvey, Secretary/Treasurer






03.24.20_Minutes_Approved

Final Audit Report

2020-04-29

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